

# MINUTES

## MONTANA SENATE 61st LEGISLATURE - REGULAR SESSION

### COMMITTEE ON TAXATION

**Call to Order:** Chairman Jeff Essmann, on March 24, 2009 at  
8:30 A.M., in Room 405 Capitol

### ROLL CALL

**Members Present:**

Sen. Jeff Essmann, Chairman (R)  
Sen. Taylor Brown, Vice Chairman (R)  
Sen. Jerry W. Black (R)  
Sen. Gary Branae (D)  
Sen. Ron Erickson (D)  
Sen. Kelly Gebhardt (R)  
Sen. Kim Gillan (D)  
Sen. Bradley Hamlett (D)  
Sen. Christine Kaufmann (D)  
Sen. Bob Story Jr. (R)  
Sen. Bruce Tutvedt (R)

**Members Excused:** None

**Members Absent:** None

**Staff Present:** Lee Heiman, Legislative Branch  
Debra Polhemus, Committee Secretary

**Audio Committees:** These minutes are in outline form only. They provide a list of participants and a record of official action taken by the committee. The link to the audio recording of the meeting is available on the Legislative Branch website.

**Committee Business Summary:**

Hearing & Date Posted: NONE

Executive Action:

<u>TABLED:</u>	<u>DO PASS AS AMENDED:</u>	
SB 315	SB 507	SB 490
SB 342	SB 465	SB 489
SB 459	SB 503	SB 506
	SB 509	SB 510

**EXECUTIVE ACTION ON SB 507**

00:01:14 **Motion:** Sen. Story moved that **SB 507 DO PASS.**

00:02:17 **Motion:** Sen. Story moved that **SB 507 BE AMENDED.**  
**EXHIBIT**(tas65a01)

**Discussion:**

00:02:38 Sen. Story  
00:02:59 Lee Heiman, Legislative Services Division (LSD)  
00:09:06 Sen. Story  
00:16:08 Sen. Tutvedt  
00:17:06 Sen. Gebhardt  
00:17:28 Sen. Tutvedt  
00:17:55 Chairman Essmann  
00:19:16 Sen. Story  
00:19:52 Chairman Essmann  
00:21:11 Sen. Story  
00:21:29 Krista Lee Evans, Association of Gallatin Agricultural  
Irrigators (AGAI)  
00:22:33 Chairman Essmann  
00:22:43 Krista Lee Evans, AGAI  
00:25:54 Sen. Erickson  
00:26:25 Sen. Story  
00:28:30 Lee Heiman, LSD  
00:28:50 Sen. Erickson  
00:29:06 Lee Heiman  
00:29:42 Sen. Story  
00:31:10 Sen. Erickson  
00:31:36 Sen. Story  
00:33:04 Sen. Erickson  
00:33:35 Sen. Kaufmann  
00:35:18 Sen. Story

00:38:28 **Vote:** Motion carried 9-2 by roll call vote with Sens.  
Erickson and Kaufmann voting no.

00:39:22 **Motion:** Sen. Story moved that **SB 507 DO PASS AS**  
**AMENDED.**

**Discussion:**

00:39:41 Sen. Kaufmann  
00:41:59 Chairman Essmann  
00:44:25 Sen. Story  
00:46:04 Sen. Erickson  
00:47:24 Lee Heiman

00:48:10 **Motion:** Sen. Erickson offered a conceptual amendment to insert the text "the value of adjacent property may not be used to determine the value of said property".

**Discussion:**

00:49:06 Sen. Story  
00:50:28 Chairman Essmann

00:50:43 Sen. Erickson withdrew conceptual amendment motion.

**Discussion:**

00:51:24 Sen. Story  
00:54:49 Sen. Kaufmann

00:55:44 **Vote:** Motion carried 9-2 by roll call vote with Sens. Gillan and Kaufmann voting no.

00:57:16 Sen. Story left committee meeting

**EXECUTIVE ACTION ON SB 490**

00:57:45 **Motion:** Sen. Tutvedt moved that **SB 490 DO PASS.**

00:57:59 **Motion:** Sen. Gebhardt moved that **SB 490 BE AMENDED.**  
**EXHIBIT (tas65a02)**

**Discussion:**

00:58:30 Lee Heiman  
00:59:47 Sen. Gillan  
01:00:16 Lee Heiman  
01:00:43 Sen. Gillan  
01:01:15 Chairman Essmann  
01:01:24 Sen. Kaufmann  
01:02:34 Lee Heiman  
01:03:32 Sen. Kaufmann  
01:04:15 Sen. Brown  
01:04:36 Sen. Tutvedt  
01:05:20 Sen. Hamlett  
01:05:38 Sen. Gebhardt  
01:06:13 Chairman Essmann  
01:06:51 Sen. Erickson  
01:07:28 Sen. Tutvedt  
01:08:46 Sen. Erickson  
01:09:05 Sen. Gillan  
01:09:37 Chairman Essmann  
01:09:53 Sen. Gillan

**Discussion: (Con't)**

01:10:17 Chairman Essmann  
 01:12:00 Sen. Brown  
 01:12:36 Sen. Gillan  
 01:13:20 Sen. Gebhardt  
 01:13:58 Sen. Gillan  
 01:14:21 Lee Heiman  
 01:14:51 Sen. Gillan  
 01:15:07 Sen. Kaufmann

01:16:03 **Vote:** Motion carried 8-2 by voice vote of those present and voting with Sens. Erickson and Kaufmann voting no.

01:16:51 **Motion:** Sen. Tutvedt moved that **SB 490 DO PASS AS AMENDED.**

**Discussion:**

01:16:59 Sen. Tutvedt  
 01:17:40 Sen. Erickson  
 01:18:44 Sen. Black  
 01:20:08 Sen. Gillan  
 01:20:41 Sen. Erickson

**EXHIBIT (tas65a03)**

01:22:42 Sen. Tutvedt  
 01:22:58 Sen. Erickson  
 01:23:17 Sen. Gebhardt

01:24:42 **Vote:** Motion carried 7-3 by roll call vote with Sens. Branae, Erickson, and Kaufmann voting no.

01:25:48 Recess

01:37:57 Reconvene ~ Sens. Kaufmann and Story absent

**EXECUTIVE ACTION ON SB 315**

01:38:55 **Motion/Vote:** Sen. Tutvedt moved that **SB 315 BE TABLED.** Motion carried unanimously by voice vote of those present and voting.

01:39:36 Vice Chair Brown assumed duties as Chairman.

**CONTINUED EXECUTIVE ACTION ON SB 342**

(Amendment previously added on March 20, 2009)

01:40:15 **Motion:** Sen. Essmann moved that **SB 342 DO PASS AS AMENDED.**

**Discussion:**

01:40:24 Sen. Essmann

**EXHIBIT (tas65a04)**

01:41:54 Sen. Gebhardt

01:42:05 Sen. Branae

01:43:06 Sen. Erickson

01:43:51 Sen. Essmann

01:44:06 Sen. Erickson

01:44:43 Sen. Tutvedt

01:45:44 Sen. Erickson

01:46:33 Sen. Essmann

01:46:56 Sen. Erickson

01:47:11 Sen. Gillan

01:49:17 Vice Chair Brown

01:50:01 Sen. Gebhardt

01:50:28 Sen. Kaufmann returned to committee meeting

01:51:43 Sen. Black

01:52:32 Sen. Essmann

01:54:57 **Vote:** Motion failed 4-6 by roll call vote with Sens. Brown, Essmann, Gebhardt, and Tutvedt voting aye. Without objection from the committee, Sen. Gebhardt requested that the bill be tabled and the vote reversed.

01:55:59 Senator Essmann resumed Chairman responsibilities.

**EXECUTIVE ACTION ON SB 459**

01:56:37 **Motion:** Sen. Erickson moved that **SB 459 DO PASS.**

**Discussion:**

01:56:52 Sen. Erickson

01:59:31 Sen. Tutvedt

02:00:46 Sen. Gillan

02:01:43 **Substitute Motion/Vote:** Sen. Black made a substitute motion that **SB 459 BE TABLED.** Substitute motion carried 6-5 by roll call vote with Sens. Branae, Erickson, Gillan, Hamlett, and Kaufmann voting no and Sen. Story voting by proxy.

**EXECUTIVE ACTION ON SB 465**

02:03:36 **Motion:** Sen. Hamlett moved that **SB 465 DO PASS.**

02:04:20 **Motion:** Sen. Hamlett moved that **SB 465 BE AMENDED.**  
**EXHIBIT**(tas65a05)

**Discussion:**

02:04:43 Lee Heiman  
02:06:55 Sen. Tutvedt  
02:07:11 Lee Heiman  
02:08:51 Chairman Essmann  
02:08:58 Lee Heiman  
02:09:54 Chairman Essmann  
02:10:45 Sen. Kaufmann  
02:11:29 Chairman Essmann  
02:11:41 Sen. Kaufmann  
02:12:01 Sen. Hamlett  
02:13:01 Sen. Gebhardt  
02:14:00 Lee Heiman  
02:15:25 Chairman Essmann  
02:16:57 Sen. Tutvedt  
02:17:17 Chairman Essmann

02:17:36 Sen. Gillan left committee meeting

02:17:55 **Substitute Motion:** Sen. Tutvedt made a substitute motion **TO SEGREGATE SECTIONS 1 THROUGH 7 PLUS 11 OF THE AMENDMENT AND TO INCLUDE IT IN SECTION 1 OF SB 465.**

**Discussion:**

02:19:19 Sen. Kaufmann

02:19:51 **Vote:** Motion carried 8-1 by voice vote of those present and voting.

02:20:20 **Motion/Vote:** Sen. Tutvedt moved that **SB 465 BE AMENDED WITH THE BALANCE OF THE AMENDMENT.** Motion carried unanimously by voice vote of those present and voting.

**Discussion:**

02:20:48 Lee Heiman  
02:20:55 Chairman Essmann

02:21:15 **Motion:** Sen. Hamlett moved that **SB 465 DO PASS AS AMENDED.**

**Discussion:**

02:21:23 Sen. Brown  
02:21:44 Sen. Gebhardt  
02:22:50 Chairman Essmann

02:23:03 **Vote:** Motion carried 9-1 by voice vote with Sen. Gillan voting no by proxy and Sen. Story abstaining from vote.

02:23:36 Vice Chair Taylor Brown assumed duties as Chairman.

**EXECUTIVE ACTION ON SB 489**

02:24:11 **Motion:** Sen. Essmann moved that **SB 489 DO PASS.**

02:25:06 **Motion:** Sen. Black moved that **SB 489 BE AMENDED.**  
**EXHIBIT**(tas65a06)

**Discussion:**

02:26:10 William Duffield, Montana Association of Oil, Gas & Coal Counties, Inc. (MAOGC)

02:28:42 Sen. Gillan returned to committee meeting

02:32:04 Sen. Essmann  
02:33:41 Sen. Erickson  
02:34:32 Sen. Gillan  
02:36:16 Sen. Essmann  
02:37:21 Sen. Black

02:41:11 **Vote:** Motion failed 5-6 by roll call vote with Sens. Black, Branae, Erickson, Hamlett, Kaufmann voting aye and Sen. Story voting by proxy.

02:42:34 **Motion:** Sen. Essmann moved that **SB 489 BE AMENDED.**  
**EXHIBIT**(tas65a07)

**Discussion:**

02:43:13 John Alke, Attorney, Helena, representing Williston Basin Interstate Pipeline company and Fidelity Exploration & Production Company and Bitter Creek

02:44:54 **Vote:** Motion carried unanimously by voice vote of those present and voting.

02:45:23 **Motion:** Sen. Essmann moved that **SB 489 DO PASS AS AMENDED.**

**Discussion:**

02:45:33 Sen. Kaufmann  
02:45:56 Sen. Essmann  
02:47:21 Sen. Gillan  
02:48:59 Sen. Black  
02:50:14 Sen. Erickson

02:50:56 **Vote:** Motion carried 8-3 by roll call vote with Sens. Branae, Erickson, and Kaufmann voting no and Sen. Story voting by proxy.

**EXECUTIVE ACTION ON SB 503**

02:52:40 **Motion:** Sen. Essmann moved that **SB 503 DO PASS.**

02:53:03 **Motion/Vote:** Sen. Essmann moved that **SB 503 BE AMENDED.** Motion carried unanimously by voice vote of those present and voting.

**EXHIBIT**(tas65a08)

02:54:45 **Motion:** Sen. Essmann moved that **SB 503 DO PASS AS AMENDED.**

**Discussion:**

02:54:59 Sen. Essmann  
02:56:50 Sen. Erickson

02:57:32 **Vote:** Motion carried 7-3 by voice vote of those present and voting with Sens. Erickson, Gillan, and Kaufmann voting no.

**EXECUTIVE ACTION ON SB 506**

02:58:51 **Motion:** Sen. Essmann moved that **SB 506 DO PASS.**

02:59:14 **Motion/Vote:** Sen. Essmann moved that **SB 506 BE AMENDED.** Motion carried unanimously by voice vote of those present and voting.

**EXHIBIT**(tas65a09)

03:00:20 **Motion:** Sen. Essmann moved that **SB 506 BE AMENDED.**

**EXHIBIT**(tas65a10)



**Discussion:**

03:00:47 Sen. Essmann  
03:01:43 Sen. Erickson  
03:02:34 Sen. Essmann

03:03:41 **Vote:** Motion carried 9-1 by voice vote of those present and voting with Sen. Erickson voting no.

03:04:40 **Motion:** Sen. Essmann moved that **SB 506 BE AMENDED. EXHIBIT(tas65a11)**

**Discussion:**

03:05:01 Sen. Essmann  
03:08:22 Sen. Tutvedt  
03:08:47 Sen. Erickson  
03:09:35 Sen. Hamlett  
03:09:45 Sen. Essmann  
03:10:08 Vice Chair Brown  
03:10:15 Sen. Gillan  
03:10:43 Sen. Essmann

03:11:21 **Vote:** Motion failed 3-7 by roll call vote with Sens. Essmann, Gebhardt, and Gillan voting aye.

03:12:45 **Motion:** Sen. Gillan moved that **SB 506 BE AMENDED. EXHIBIT(tas65a12)**

**Discussion:**

03:13:29 Lee Heiman  
03:13:49 Sen. Essmann

03:13:56 **Vote:** Motion carried unanimously by voice vote of those present and voting.

03:14:06 **Motion:** Sen. Essmann moved that **SB 506 DO PASS AS AMENDED.**

**Discussion:**

03:14:17 Sen. Essmann  
03:18:18 Sen. Erickson  
03:19:36 Sen. Gebhardt  
03:20:01 Sen. Tutvedt  
03:20:35 Sen. Black  
03:21:11 Sen. Gillan  
03:22:26 Sen. Essmann

03:25:36 **Vote:** Motion carried 6-5 by roll call vote with Sens. Black, Brown, Hamlett, Story, and Tutvedt voting no and Sen. Story voting by proxy.

**EXECUTIVE ACTION ON SB 509**

03:26:58 **Motion:** Sen. Gebhardt moved that **SB 509 DO PASS.**

03:27:09 **Motion/Vote:** Sen. Gebhardt moved that **SB 509 BE AMENDED.** Motion carried unanimously by voice vote of those present and voting.

[EXHIBIT\(tas65a13\)](#)

[EXHIBIT\(tas65a14\)](#)

03:29:08 **Motion:** Sen. Gebhardt moved that **SB 509 DO PASS AS AMENDED.**

**Discussion:**

03:29:39 Sen. Erickson

03:30:19 **Vote:** Motion carried 7-3 by voice vote of those present and voting with Sens. Branae, Kaufmann and Erickson voting no.

**EXECUTIVE ACTION ON SB 510**

03:30:56 **Motion:** Sen. Gebhardt moved that **SB 510 DO PASS.**

03:31:06 **Motion:** Sen. Gebhardt moved that **SB 510 BE AMENDED.**

[EXHIBIT\(tas65a15\)](#)

[EXHIBIT\(tas65a16\)](#)

**Discussion:**

03:31:36 Sen. Gebhardt

03:33:21 **Vote:** Motion carried unanimously by voice vote of those present and voting.

03:33:41 **Motion:** Sen. Gebhardt moved that **SB 510 DO PASS AS AMENDED.**

**Discussion:**

03:33:53 Sen. Erickson

03:34:02 **Vote:** Motion carried 9-1 by voice vote of those present and voting with Sen. Kaufmann voting no.

**Committee Business:**

03:34:35 Chairman Essmann

03:34:45 Sen. Erickson

03:35:25 Chairman Essmann

03:35:43 Sen. Kaufmann

**ADJOURNMENT**

Adjournment: 12:10 P.M.

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Debra Polhemus, Secretary

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Additional Documents:

**EXHIBIT ([tas65aad.pdf](#))**